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ABSTRACT

Immigration to the United States has fluctuated considerably over the course of the nation's history and has elicited various policy responses at different times. In recent years, concern about undocumented, illegal immigration has given rise to efforts to reform immigration law. The Immigration Reform and Control Act (IRCA) of 1986 was intended to stem the flow of undocumented immigrants into the United States, to reduce the number of illegal aliens already here, and to make provisions for various groups of transient workers. The major features of IRCA include the following: (1) employer sanctions penalizing employers who knowingly hire illegal immigrants; (2) a legalization program providing amnesty for undocumented immigrants who meet certain requirements; (3) a program for H-2 temporary foreign workers and seasonal agricultural workers; and (4) increased enforcement capabilities. Indicators of the effectiveness of IRCA include preliminary data on the amnesty program, employer sanctions, and border apprehensions. IRCA faces the following five emerging challenges: (1) domestic economic expansion and tightening U.S. labor markets; (2) projected rapid growth in service occupations; (3) declining size of U.S. youth cohorts; (4) mounting labor pressures in the Caribbean Basin; and (5) enforcement and compliance issues. The report includes statistical data on one graph and two tables. A list of 42 references is appended. (AF)

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PROGRAM FOR RESEARCH ON IMMIGRATION POLICY

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IMMIGRATION POLICY IN THE UNITED STATES: FUTURE PROSPECTS FOR THE IMMIGRATION REFORM AND CONTROL ACT OF 1986

by
Thomas J. Espenshade*
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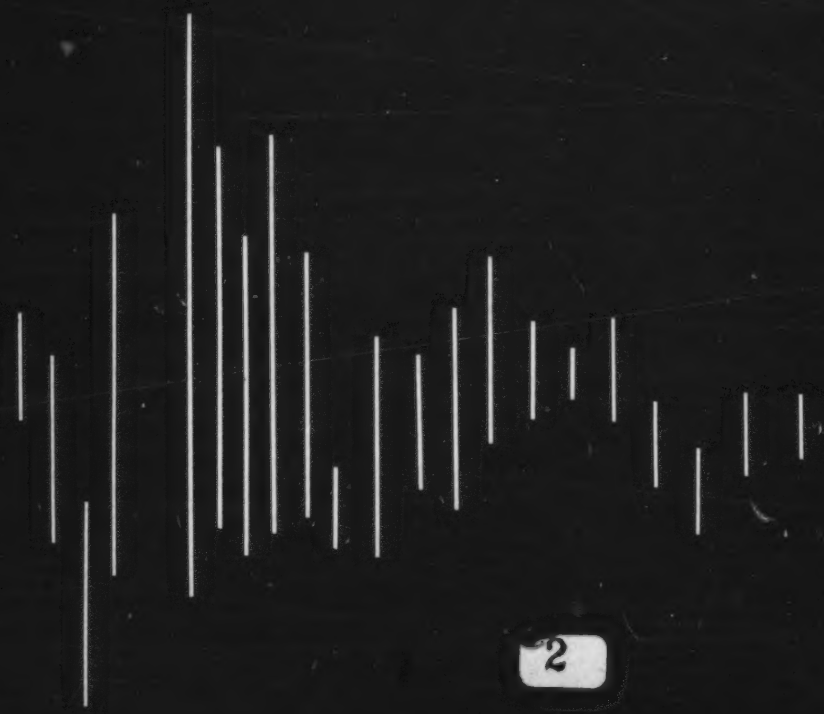

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August 1988

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INTRODUCTION

The United States is often referred to as "a nation of immigrants." Although at some distant point in the past virtually the entire U.S. population might have consisted of immigrants, the amount of immigration however measured has varied considerably throughout the nation's history. For example, except during of the Civil War, the number of immigrants coming to the United States increased steadily during most of the nineteenth century, reaching over 5 million persons during the 1880s decade (U.S. Immigration and Naturalization Service, 1987). After a downturn corresponding to the economic slump of the 1890s, the number of immigrants rose to an all-time high during the early part of the twentieth century, averaging over one million persons per year from 1905 to 1914. With the onset of World War I and passage of the restrictive National Origins Quota Act in 1924, immigration fell considerably, not to revive until passage in 1965 of the Amendments to the Immigration and Nationality Act of 1952. In the 1970s and 1980s immigration has grown again. During both fiscal years 1986 and 1987, more than 600,000 immigrants were admitted for lawful permanent residence in the United States (U.S. Immigration and Naturalization Service, 1988a).

Net immigration, or the difference between arrivals and departures, provides a better indication of the importance of immigration for population size and growth than does the absolute number of immigrants. Net immigration, expressed as a proportion either of the population or of population growth, has also varied considerably. The excess of immigrants over emigrants during the decade 1910-1919 made up 4.1 percent of the population enumerated at the end of the decade, and net immigration accounted for nearly 30 percent of the decade's population growth (Passel, 1983). Net immigration during the 1930s declined to only 0.2 percent of the population by 1939 and to about 2 percent of population

growth during the decade. It rose again, beginning in the 1950s, to levels that reached about 1.8 percent of the population and about 28.9 percent of population growth in 1986 (U.S. Bureau of the Census, 1987b)—levels, interestingly, that are below those for the early part of this century.[1]

The last 20 years have witnessed other changes in immigration as well. The ethnic composition of legal immigrants has shifted away from a preponderance of Europeans to a preponderance of Asians and Latin Americans. During the 1950s Europeans still constituted over half (52.7 percent) of all immigrants, for example, whereas in the years since 1970 they have made up only 15.1 percent of legal entrants. By contrast, persons of Latin American origin have increased their share of total immigration during the same time span from 24.6 percent to 38.5 percent (U.S. Immigration and Naturalization Service, 1987). Asians also have shown a sizable increase in their share.

The ethnic composition of immigrant streams to the United States also changed in the late nineteenth and early twentieth centuries. The increase in the proportion of Southern and Eastern European immigrants fueled a growing anti-foreign sentiment at the time among native-born Americans, which was a factor contributing to passage in 1924 of the restrictive legislation that set quotas for the numbers of new immigrants based on the national origins of the United States population in 1920 (Higham, 1971). The modifications adopted since 1965 similarly have resulted in larger numbers of immigrants and a changed ethnic composition. The Hispanic element in the recent immigration flows has been supplemented by sizable numbers of refugees from Cuba and by an uncertain but not trivial number of illegal (also called undocumented) migrants from Mexico (Bean and Tienda, 1987). Immigrants are thus not only greater in

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1. The figures for the 1980s include estimates for net illegal immigration.

number than at any time since the early 1920s, but perhaps also more visible than at any time in the nation's history. As in the early twentieth century, all of this may have fueled the recent drive to modify immigration policy. Unlike previous efforts, however, the most recent one has been aimed more at halting illegal migration than at changing legal immigration (Bean and Sullivan, 1985; Bean, Telles, and Lowell, 1987).

This preoccupation on the part of policymakers with undocumented immigration has manifested itself in a number of other ways. One is in the work of special commissions established to address immigration reform. In 1978, for example, the President of the United States implemented legislation passed by Congress to create a Select Commission on Immigration and Refugee Policy. In its final report, the Commission noted the following: "One issue has emerged as most pressing--the problem of undocumented/illegal migration" (Select Commission on Immigration and Refugee Policy, 1981: 35, emphasis added). This perception appears to have been shared by the public. For example, 87 percent of the respondents in a recent Southern California survey thought that "the illegal immigration situation . . . at the present time" was either "somewhat" or "very serious" (Muller and Espenshade, 1985, p. 201).

The emergence of such perceptions reflects the idea that the costs of immigration might outweigh the benefits, in particular the increasing popularity of the view that the flow of undocumented immigration might be "out of control." To many lawmakers and citizens during the early 1980s, the nation's immigration policy appeared ineffectual in curtailing illegal immigration at the same time that it kept tens of thousands of legal petitioners from obtaining entry visas. Such concerns resulted in a strong push to change immigration law.

It was often difficult, however, to test the premises upon which the calls for reform rested. Appropriate data on illegal immigration, for the most part, either were unavailable or became available too late for the important research questions relevant to the policy issues to be addressed. For example, although the Muller and Espenshade study was published in 1985, other research about the labor market effects of illegal immigration was completed and published after most of the legislative debate was over (Bean, Lowell, and Taylor, 1988; Bean, Telles, and Lowell, 1987; Massey, 1987). Ironically, this literature showed that illegal immigration either had little labor market impact or perhaps even a small positive effect. Whether such research results would have made a difference in the outcome of the debate is difficult to say. In any case, many policymakers perceived a need for action even in the absence of a national consensus about the impacts of immigration reform.

LEGISLATIVE RESPONSE TO EMERGENT PUBLIC CONCERNS

After several narrow defeats reflecting continuing controversy, the reform movement nonetheless resulted in passage of the Immigration Reform and Control Act (IRCA) in November of 1986. This legislation is the most sweeping revision of U.S. immigration policy since 1965 when the national origins quota system was abolished. The 1986 reforms aim to stem the flow of undocumented immigrants into the United States and to reduce the number of illegal aliens already here by penalizing employers who knowingly hire illegal aliens, legalizing undocumented immigrants who can demonstrate continuous residence in the United States since January 1, 1982, granting temporary resident status to undocumented farmworkers who can show they worked at least 90 days in U.S. agriculture in the 12-month period before May 1, 1986, and strengthening the Border Patrol. The major features of IRCA include employee sanctions, the

legalization program, the program for temporary and seasonal workers, and increased enforcement capabilities. Each is described below.

Employer Sanctions

A key provision of IRCA makes it illegal to knowingly hire an undocumented worker after November 6, 1986.[2] All employers (including families who hire domestics) are subject to employer sanctions, regardless of the number of persons they employ. The intent of employer sanctions is to reduce employment opportunities for illegal aliens in the United States and thereby remove the major motivation for workers to enter without the proper documentation.

IRCA requires every employer to verify a prospective employee's right to work in the United States by inspecting either a passport, a certificate of naturalization, a certificate of U.S. citizenship, or a resident alien card. If these documents are not available, an employer must then examine both an employment authorization document (a Social Security card or a birth certificate) and an identity document (a driver's license, a state-issued card, or in certain cases some other document approved by the Attorney General). Beginning June 1, 1987 employers were required to inspect documentation for all new hires after November 6, 1986 and to complete special I-9 forms distributed by the Immigration and Naturalization Service (INS). Employers are expected to keep the I-9 forms on file for three years, or one year after the employee terminates employment, whichever is longer. IRCA does not require an employer to confirm the authenticity of the documentation, however.

Employers will incur civil fines for failing to check the legal status of every new employee they hire and a fine from $100 to $1,000 can be assessed for each offense. The penalties apply regardless of the legal status of the new

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2. An undocumented immigrant who was hired prior to November 6, 1986, however, may be kept on the payroll with no penalty to the employer.

hire. In addition, employers who knowingly hire undocumented workers will be subject to civil and/or criminal penalties. IRCA contains a three-tiered penalty structure: (1) a fine ranging from $250 to $2,000 for each undocumented alien in the case of a first offense, (2) a $2,000 to $5,000 fine for each in the case of a second offense, and (3) a $3,000 to $10,000 fine for each in the case of a third and subsequent offenses. Employers who are convicted of a "pattern and practice" of hiring illegal workers will be subject to imprisonment for up to six months regardless of the number of aliens involved and/or a $3,000 fine for each alien involved.

Employers were not subject to fines and jail terms immediately. IRCA originally provided for a six-month education period (December 1, 1986 through May 31, 1987) followed by a one-year warning or citation period (June 1, 1987 to May 31, 1988). During the warning period, citations were issued to first offenders in lieu of fines; any employer who received a citation was then subject to civil fines for subsequent offenses even though the warning period might not have expired. Due to difficulties in distributing I-9 forms and employer handbooks to every employer in the United States by June 1, the warning/citation period was delayed by Congressional action until September 1, 1987. Full enforcement of employer sanctions, however, began on time on June 1, 1988.

In response to fears of Hispanic and civil rights groups that employer sanctions could aggravate the unemployment problems of minorities because employers might be hesitant to hire anyone who "looks foreign," IRCA established a Special Counsel in the Department of Justice to investigate and prosecute charges of discrimination resulting from unfair immigration-related employment practices. An employer found guilty of discrimination could be required to pay a fine of up to $2,000 and to hire the individual with back

pay. These penalties apply only to employers of four or more persons and are waived if the discrimination is covered under the Civil Rights Act of 1964. The law allows an employer to choose a U.S. citizen when both applicants are equally qualified.

The U.S. General Accounting Office (GAO) is required to submit three annual reports to Congress on whether the implementation of employer penalties has resulted in a pattern of employment discrimination based on national origin or citizenship status. If widespread discrimination is found, employer sanctions will be terminated, provided Congress approves the GAO findings.

The Legalization Program

Beginning May 5, 1987 and ending on May 4, 1988, undocumented aliens who resided in the United States in an illegal status continuously since January 1, 1982 and who were not excludable as immigrants could apply for amnesty under IRCA's legalization program. An alien could still claim continuous residence if any absence from the United States was "brief," "innocent," or "casual." Illegal aliens who met these requirements were eligible for temporary resident status for a period of 18 months. They can then adjust their status to permanent resident provided they can demonstrate a minimal understanding of English and a basic knowledge of U.S. history and government or are receiving instruction in these areas.

Applicants for the legalization program were required to prove their eligibility by producing documents that supported their claim of continuous residence. Employment-related documents were considered the best evidence. Applications for the legalization program are confidential and may only be used to determine an immigrant's eligibility for amnesty. Aliens denied legalization are entitled to an administrative and a judicial review of their applications.

Newly legalized immigrants are barred from most federally funded public assistance programs for five years. They are entitled, however, to emergency medical services, medical assistance for pregnant women and children, and aid to blind, aged, or disabled persons, as well as other specified benefits. IRCA also provides $1 billion a year for four fiscal years (1988-1991) to state and local governments to help defray any public assistance, health, and education costs resulting from legalization. The cost of Medicaid benefits and of Supplemental Security Income provided by the federal government to newly legalized aliens over a four-year period will be deducted from the $4 billion total. States will receive their funding based on a formula that includes the number of legalized aliens in the state and the amount of money a state spends on them.

H-2 Workers and Seasonal Agricultural Workers

IRCA revised and expanded the existing H-2 temporary foreign worker program. For example, employers are now required to give the Secretary of Labor no more than 60 days' advance notice of their need for foreign workers, replacing the 80-day requirement. Employers must still attempt to find domestic workers for these jobs, but it is no longer necessary to conduct a national search. Under the former H-2 program an employer could use temporary foreign labor only if domestic workers capable of performing the jobs could not be found in the country. The new H-2 program requires only that qualified domestic workers are not available at the time and place needed. Moreover, the Secretary of Labor must decide upon an employer's request no less than 20 days in advance of his need and expedited appeal procedures are available to those employers whose requests are denied.

IRCA also contains a separate program that will give certain agricultural workers lawful status. For a period of 18 months, beginning June 1, 1987 and

ending November 30, 1988, aliens who qualify as special agricultural workers are eligible for temporary resident status. There are two groups of special agricultural workers. Group 1 comprises those aliens who have worked in U.S. perishable agriculture for at least 90 days a year for the three years between May 1, 1983 and May 1, 1986; Group 2 comprises aliens who have worked at least 90 days in U.S. perishable agriculture between May 1, 1985 and May 1, 1986. Group 1 workers are admitted as temporary residents for one year, after which they can adjust their status to permanent resident. The number of aliens who could be granted lawful status as Group 1 workers is capped at 350,000. Group 2 workers also are eligible for temporary residence but must remain in that status for two years before applying for an adjustment to permanent residence. There is no numerical limitation on the number of aliens who could be legally admitted to the United States as Group 2 workers. Both groups of special agricultural workers are barred from Aid to Families with Dependent Children (AFDC) for five years and have limited access to Medicaid, but neither group is required to remain in agricultural jobs.

In the event that the Secretaries of Labor and Agriculture determine that a shortage of workers exists in perishable crops, replenishment workers would be admitted to the United States as temporary residents. Unlike seasonal agricultural workers, replenishment workers must remain in agricultural jobs at least 90 days a year for three years as temporary residents before applying for permanent residence. To become a naturalized U.S. citizen, replenishment workers must meet these requirements for an additional two years. Replenishment workers would be ineligible to receive most federally funded public assistance aid--except food stamps--to the same extent as undocumented aliens admitted under the provisions of the new legalization program. The replenishment worker program is scheduled to begin in fiscal year 1990 and end

in fiscal year 1993. The maximum number of replenishment workers that could be admitted each year will be based on a formula that takes into account the number of seasonal agricultural workers admitted to the United States as temporary residents.

Other IRCA Provisions

IRCA established the Systematic Alien Verification for Entitlements program. This program, popularly referred to as SAVE, requires states to use INS computer records to verify the legal status of all noncitizens who apply for public assistance benefits. Affected programs include AFDC, Medicaid, unemployment compensation, public housing, student aid, and food stamps. States will receive full reimbursement for implementing the verification system. In some situations the secretary of the appropriate department can recommend a waiver of this rule if verification for a particular covered program would not be cost-effective or would be redundant.

The enforcement capability of INS has also been enhanced. The agency received a supplemental authorization of $422 million in fiscal year 1987 and $419 million in fiscal year 1988 for enforcement activities, including a 50 percent increase in the number of Border Patrol personnel (from 3,200 authorized positions in fiscal year 1986 to 4,800 authorized positions in fiscal year 1987). In addition, $12 million and $15 million in fiscal years 1987 and 1988, respectively, were allocated to the Executive Office of Immigration Review to carry out the additional INS duties outlined in IRCA. Finally, $35 million will be set aside in a contingency fund for use in immigration emergencies.

Although the INS will generally play a larger role in the enforcement of U.S. immigration laws under IRCA than previously, one activity will be restricted. INS agents will now be required to obtain a search warrant or the consent of the owner to look for illegal aliens in open fields.

IMPLEMENTING IRCA

Among other objectives, IRCA was designed to reduce the flow of illegal aliens into the United States and offer the opportunity to obtain permanent residence status and citizenship to illegal aliens with sufficient residence time and/or work experience in the United States. How has IRCA fared so far?

It is difficult to provide a satisfactory answer for two reasons. First, there is little consensus regarding the criteria for "success." Three key indicators are obvious candidates: (1) the rate of legalization through various programs of the pool of eligible illegal aliens, (2) the rate of departure of illegal aliens who are ineligible or desire not to regularize their status, and (3) the change in the rate of entry of the illegal population. The program will also be termed more successful and "efficient" if discrimination is absent and if there is widespread compliance among employers. Second, many of the numbers that would help evaluate IRCA are only known imprecisely at best. Nevertheless, we can provide some indication of what IRCA has done using preliminary data from the amnesty program, employer sanctions, and border apprehensions.

Amnesty

The legalization program is the provision in the new law that has attracted the greatest amount of attention to date. Estimates in the 1970s and early 1980s of the stock of illegal aliens resident within U.S. borders varied widely (Passel, 1986); and debate about the size of the pool of eligible aliens contributed to concerns about how many new permanent resident aliens might be generated by amnesty programs and about the administrative burden of the program. Subsequently, more reliable estimates were developed. Almost 2.1 million illegal aliens were enumerated in the 1980 census--suggesting to analysts that a likely range for the illegal population at that time was

between 2 and 4 million on the assumption that the maximum undercount of undocumented immigrants was 50 percent (Warren and Passel, 1987). Woodrow, Passel, and Warren (1987) have since estimated that annual net illegal immigration to the United States fluctuated between 100,000 to 300,000 in the first few years of the 1980s. With these figures we can estimate that a reasonable range bounding the pool of illegals eligible for legalization was 2.2 to 4.6 million persons. Mortality of this population, lapses in continuous residence (a disqualification for legalization), and adjustment to legal status through mechanisms in existence prior to IRCA would reduce the size of the eligible population, although these reductions are probably relatively small. In the end the INS adopted a figure of 2 million as its best estimate of the number of persons likely to become legalized under IRCA.[3]

The legalization program has two major components, the regular program and the Special Agricultural Worker (SAW) program. The regular legalization program, for which the application deadline passed on May 4, 1988, drew 1.76 million applicants (U.S. Immigration and Naturalization Service, 1988b). In the first six months of the program, the legalization field offices, where the applications were taken and a preliminary evaluation made, recommended approval for 92 percent of the applications. It is generally assumed that applications received closer to the deadline are less likely to contain adequate documentation and therefore more likely to be rejected. The assumption of an overall ineligibility rate of 10 percent within the applicant pool yields a number of eligible aliens who applied of 1.58 million. This represents almost 80 percent of the INS working estimate of anticipated applicants.

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3. Warren (1987) reports estimates made in October 1986 ranging from 1.3 to 2.7 million.

The SAW program requires, minimally, that a person has worked in agriculture for 90 days in the twelve months prior to May 1, 1986. If half of the undocumented aliens who entered the United States in the 1982-85 period worked in agriculture for at least 90 days, then the Woodrow-Passel-Warren net migration flow yields an estimate of 400,000 eligibles. This is consistent with preliminary working estimates by the INS. At a level of 75 percent in agricultural employment, we estimate 600,000 would be eligible.[4] The SAW application program, which commenced on June 1, 1987 and does not expire until November 30, 1988, had already drawn 712,000 applicants as of July 22, 1988. SAW applications rose during the first few months of the program, achieving a level of about 50,000 in September and October 1987. The number then declined until January 1988, after which it rose again to a sharp peak in May of 1988 at a level about 110,000.

This pattern appears to be driven by several factors--including the seasonality of agricultural work, the schedule of the SAW deadlines, and the influence of the regular application program--making it difficult to project the total number of SAW applications. At the current rate, however, about one million SAW applications can be expected by the final deadline. Slightly less than 90 percent of applications are receiving approval after initial review but, as with the regular legalization program, it is recognized that later applications will be less likely to pass than earlier ones. Additional concern

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4. These crude estimates do not fully take into account the stock and flow aspects of the undocumented population, which bear more heavily on the SAW pool. Individuals who arrived prior to 1982 and worked in agriculture would be eligible for the regular legalization program, as well as the agricultural program. More important, Woodrow-Passel-Warren estimates for post 1980 are for net immigration; some fraction of the return flow of individuals would be eligible. Illustrative of this is the fact that one could apply for the SAW program at several locations outside of the United States.

has been raised about fraud in the SAW program. North (1988) has estimated that "if all the California SAW applicants worked full time in California agriculture they would have provided 100,000 more man years of work than California used in 1987--even if no one except SAW applicants were employed in the roles of farmer, unpaid farm family worker, year-around farmworker and seasonal farmworker" (p. 5, author's emphasis). Similarly, Martin and Taylor (1988) calculated that the number of individuals who qualified by virtue of their employment in California agriculture ranged between 115,000 and 188,000. Clearly then, there is a great discrepancy between the original estimates and the present number of applications received and likely final count.

Employer Sanctions

It is still too early to tell the outcome of employer sanctions. Much of the INS energy in the post-IRCA period so far has gone into education. INS has mailed handbooks explaining the law to the nation's estimated seven million employers (U.S. General Accounting Office, 1987). About $60 million has been allocated in fiscal year 1988 to implement employer sanctions, and INS plans to visit 20,000 employers. The U.S. Department of Labor is expected to visit an additional 60,000 employers and in so doing will inspect I-9 forms (U.S. General Accounting Office, 1987).[5]

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5. A peculiarity in the law is that the employer need not retain copies of the documents used to verify employability. The I-9 form need only record that the appropriate documents were presented. Considerable reliance is being made on voluntary compliance, yet the possibility remains that an employer may knowingly hire an illegal alien and certify on the I-9 form that the relevant documents have been inspected. It will be difficult to demonstrate that the employer has acted in bad faith, except in those cases where he or she does not file an I-9 form. In circumstances where interests coincide--continued work by an illegal who chooses to risk remaining in the United States, and continued hiring by an employer who prefers illegal aliens--this loophole provides an opportunity for complicity.

As of this writing we have no reliable data on compliance with the hiring provision. The first warning notice was issued by INS in August 1987. By October 1987 INS had served about 100 additional notices for employing unauthorized workers, I-9 form noncompliance, or both (U.S. General Accounting Office, 1987). In addition, two notices of intent to fine had been served. Only later will warnings and then fines be imposed. Even then, it will be difficult to interpret the data on the number of employer fines and other sanctions, because no nationally representative information about hiring of undocumented workers exists for the pre-IRCA period.

The antidiscrimination provisions are at an equally early stage. As of November 1987, the GAO had reviewed one court case, 15 discrimination charges filed with the Office of Special Counsel, and 52 charges filed with the Equal Employment Opportunity Commission. The GAO concluded that no pattern of discrimination existed, and also that these cases did not point to an unreasonable burden on the conduct of business for employers generally. The fact that the I-9 forms need to be completed only for actual hires, not for all job applicants, makes it difficult to demonstrate the existence of discrimination of this sort and will continue to do so even in the longer term.

Border Apprehensions

Passage of IRCA was motivated in part by the perception that the United States had lost control of its borders. If IRCA's reliance on employer sanctions and stepped-up enforcement to stem the flow of illegals is effective, the number of aliens who attempt to cross the border should be greatly reduced. In the case of border apprehension data, we have a detailed time series of the number of events. The obstacle in this case, however, is that variation in the number of apprehensions is only an indirect measure of the flow of illegals who enter without inspection. We count only the number of those who get caught,

not those who get through; any changes in the reported counts will be sensitive to the ratio of apprehensions to successful passages. Furthermore, economic conditions on each side of the border, seasonal effects, variations in the amount and manner of INS border patrol activity, and the like are confounded with the effects of IRCA.

The time path of U.S. border patrol apprehensions is shown in the accompanying figure. After a rising trend, apprehensions peak in the summer of 1986, fall off precipitously through the autumn of 1986 (when IRCA was passed and signed), only to rise again in the summer of 1987. On face value the sharp downturn after passage of IRCA is evidence for a decline in the flow of illegal aliens. Although the observed decline could be due to a reduction in patrol efforts at the border, the INS reports that officer hours at the southern border did not shift dramatically immediately before or after IRCA's passage (North, 1988). Apprehensions per shift declined from 4.0 in the year immediately prior to IRCA to 2.8 in the year immediately following IRCA; but in February and March of 1988 the figures again approached the levels of two years before (North, 1988). The variation in apprehensions throughout 1987 makes it difficult to tell, even if patrolling activity was unchanged beyond the number of line watch hours, whether IRCA was responsible for more than a downward blip in the curve.[6] A longer time series and more sophisticated techniques will be needed, but even then apprehensions remain only an indirect measure of those

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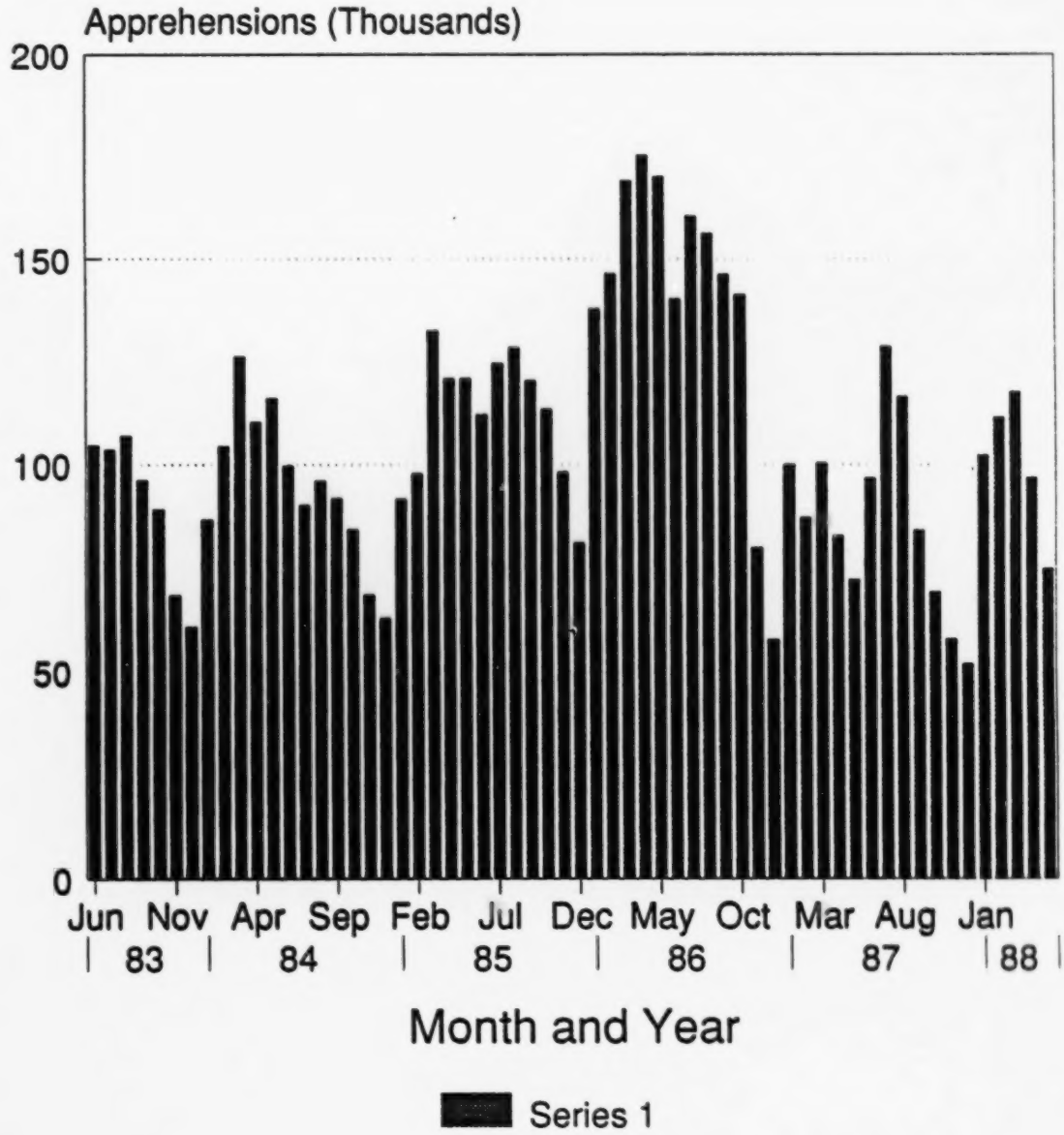
6. One group of researchers at El Colegio de la Frontera del Norte in Tijuana has engaged in direct observation of illegals at the border as they marshal to cross. They claim that IRCA has had no impact on the flow of undocumented immigrants across the land border (Rohter, 1988). Moreover, we have no information at this point on the number of illegally resident, nonlegalizing persons who have been induced to return home by IRCA.

US Border Apprehensions
Monthly Counts -- Jun83 to May88



B1 Original Series

who enter without inspection, a group that may constitute the vast majority of the undocumented population.[7]

All in all, IRCA thus far appears to have been implemented efficiently and smoothly, despite the great apprehension that surrounded it. The INS, traditionally seen in an adversarial role vis-a-vis immigrants, has received positive marks from the evaluation community on implementation of the IRCA provisions (Meissner and Papademetriou, 1988). IRCA has enabled large numbers of previously undocumented immigrants to become legalized, although the number of those legalizing under the SAW provision of the law vastly exceeds preliminary estimates, raising the specter of fraud and calling into question the accuracy of earlier estimates. Finally, considerable care has been taken to educate the general public and the employer community about the law and how it will be enforced. In this early phase, emphasis has been placed on encouraging those eligible to legalize. Sanctions, fines, and disapprovals have been relegated to a later stage in the process.

FIVE CHALLENGES FACING IRCA

In the longer run, whether IRCA achieves the aims its supporters intended will be influenced by three major factors:

- o U.S. employers' needs for low-skill low-wage labor and their willingness to risk fines and jail sentences for hiring illegal workers,
- o the shortfall among legal workers as members of the baby bust generation begin entering the labor market, and
- o the extent to which business perceives that INS is determined to enforce the new law.

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7. Hoefer (1988) reports that preliminary tabulations from the regular legalization program indicate that nearly 80 percent of the applicants entered without inspection; presumably this figure would be higher for SAWs.

In addition, the success of IRCA will depend upon such international factors as the strength of external demand for illegal entry into the United States which, in turn, is largely a function of the imbalance between labor supply and job opportunities in countries below the U.S. southern border and of differential wage rates between the United States and Caribbean Basin nations. Finally, the experience of other countries and of selected U.S. states with employer sanction laws may yield some clues as to the likely future effectiveness of recent U.S. initiatives to control undocumented immigration.

These issues can be summarized in terms of five emerging challenges facing IRCA. They are: (1) domestic economic expansion and tightening U.S. labor markets, (2) projected rapid growth in service occupations, (3) declining U.S. youth cohorts, (4) mounting labor pressures in the Caribbean Basin, and (5) enforcement and compliance issues.

Domestic Economic Expansion

It is ironic that most of the legislative debate leading up to and including IRCA occurred during the longest peacetime economic expansion in U.S. history. Between November 1982 and the end of 1987, the nation's economy created 15 million new jobs—the strongest record of employment growth among the major industrial countries (Economic Report of the President, 1988). If, as some advocates claimed, undocumented immigrants were taking jobs away from legal workers, these effects were masked by the expansion, because unemployment rates have declined overall and among all major demographic groups. The civilian unemployment rate fell from a peak of 9.7 percent in 1982 to 6.2 percent in 1987 and dropped further to 5.4 percent by the middle of 1988. Correspondingly, between 1982 and 1987 unemployment rates for blacks fell from 19 to 13 percent, for Hispanics from 14 to 9 percent, for teenagers (16 to 19 years old) from 23 to 17 percent, and for young adults (20 to 24 years old)

from 15 to below 10 percent (Economic Report of the President, 1988; U.S. Department of Labor, 1988; and U.S. Bureau of the Census, 1987a). Moreover, those people who are unemployed are staying out of work for shorter periods of time. In 1983, for example, the median duration of unemployment was more than 10 weeks—the highest level since comparable statistics began to be collected in 1968. But by 1987, it had decreased to 6.5 weeks, the same value it had in 1980 (Economic Report of the President, 1988).

These statistics point to increasingly tight labor markets in the United States. How long economic growth can be sustained at the pace of the previous five or six years and when the next recessionary period might begin are difficult to predict. In its latest economic projections to the year 2000, however, the U.S. Department of Labor assumed a 2.4 percent annual growth in real GNP in the moderate-growth scenario (Saunders, 1987). Other analysts, too, believe that the American economy will grow at a relatively healthy pace in the last years of the twentieth century, "boosted by a rebound in U.S. exports, renewed productivity growth, and a strong world economy" (Johnston and Packer, 1987, p. xiii).

Projected Rapid Growth in Service Occupations

As part of its Projections 2000 study the U.S. Bureau of Labor Statistics (BLS) has prepared projections of the future occupational composition of the work force (Silvestri and Lukasiewicz, 1987). These projections suggest that entrants to the labor market between 1986 and 2000 will need to possess skills and levels of knowledge substantially above those of people who are now employed. Typically, high-skill jobs are expected to continue pacing occupational growth, with job categories requiring the most education and training estimated to grow faster than average. For example, whereas the number of jobs in all occupations combined is projected to rise by 19 percent

between 1986 and 2000, jobs for paralegal personnel are expected to increase by 104 percent, for physical therapists by 90 percent, and for data processing equipment repairers by 80 percent. In contrast, occupational clusters involving the least amount of training--in which the proportion of workers having less than a high school education is more than 30 percent--are estimated either to grow at rates below the average for all occupations or to decline. Examples of such job categories include agriculture, forestry, and fishing workers, machine setters and operators, hand workers, transportation and material moving workers, and helpers and laborers.

Service occupations are the one major exception. The number of service workers is projected to increase by 31 percent between 1986 and 2000, even though the service occupations fall into the lowest educational category.[8] Under the moderate growth scenario, the number of service occupation jobs is expected to increase from 17.5 million in 1986 to 22.9 million in 2000, or by 5.4 million. Projected job growth in this category is greater than the number of new jobs in any other broad occupational group, and is expected to account for one-quarter of the total growth in civilian employment for the remainder of this century.[9]

Table 1 shows the twelve specific occupations that BLS expects will add the most workers between 1986 and 2000. Five are service worker jobs: waiters and waitresses, janitors and cleaners, food counter workers, nursing aides, and

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8. Service workers are, however, the only job category within the lowest educational attainment group whose median schooling level exceeds a high school education (Silvestri and Lukasiewicz, 1987).

9. Total civilian employment is projected to rise from 111.6 million jobs in 1986 to 133.0 million by the year 2000 under the moderate growth scenario. In terms of the absolute number of new jobs likely to be created, the service occupations are followed by marketing and sales occupations (3.7 million) and by managerial and management-related occupations (3.0 million).

Table 1

Occupations with the Largest Job Growth, 1986-2000
Moderate Alternative (numbers in thousands)

Occupation	Employment		Change in Employment		Percent of Total Job Growth, 1986-2000
	1986	Projected, 2000	Number	Percent	
Salespersons, retail	3,579	4,780	1,201	33.5	5.6
Waiters and waitresses	1,702	2,454	752[a]	44.2	3.5
Registered nurses	1,406	2,018	612	43.6	2.9
Janitors and cleaners, including maids and housekeeping cleaners	2,676	3,280	604[a]	22.6	2.8
General managers and top executives	2,383	2,965	582	24.4	2.7
Cashiers	2,165	2,740	575	26.5	2.7
Truck drivers, light and heavy	2,211	2,736	525	23.8	2.5
General office clerks	2,361	2,824	462	19.6	2.2
Food counter, fountain, and related workers	1,500	1,949	449[a]	29.9	2.1
Nursing aides, orderlies, and attendants	1,224	1,658	433[a]	35.4	2.0
Secretaries	3,234	3,658	424	13.1	2.0
Guards	794	1,177	383[a]	48.3	1.8

a. Denotes service occupation.

Source: Silvestri and Lukasiewicz (1987), Table 5.

guards. Other service occupations expected to add large numbers of new workers include food preparation workers (324 thousand), restaurant cooks (240 thousand), and dining room and cafeteria attendants and barroom helpers (197 thousand). The significance of these projections is not only that they suggest a continuing demand for low-skill low-wage workers in the United States, but also that many of the specific service occupations with the largest projected job growth overlap with job categories that undocumented workers are traditionally believed to occupy (Muller and Espenshade, 1985).[10]

Declining Size of U.S. Youth Cohorts

Where are the workers likely to come from to fill the large number of service jobs projected to materialize by the year 2000? The U.S. labor force is projected to grow to 139 million persons by the year 2000. This represents an increase of 21 million persons between 1986 and 2000 in the moderate of three alternative labor force projections (Fullerton, 1987)--much less than the 31 million added to the labor force during the prior 14-year period. The labor force is projected to grow at an average annual rate of 1.2 percent--also well below the 2.2 percent annual rate of the previous 14 years.[11]

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10. The general arguments outlined in this section are also supported by projections of the U.S. occupational structure prepared by Johnston and Packer (1987) for their study Workforce 2000. They expect that the largest number of new jobs created between 1984 and 2000--representing 23 percent of all new jobs--will be in service occupations. Jobs in service occupations are expected to grow by 37 percent, in contrast to a projected 25 percent increase for all jobs. As a result, service occupations are the only exception to the authors' general finding that job categories that are growing faster than average require more than the median level of education for all jobs.

11. This labor force outlook is based on new population projections prepared by the U.S. Bureau of the Census. The middle-series projections for the first time include an allowance for undocumented aliens. It is assumed that IRCA will reduce the level of undocumented migration, but not entirely end it.

Low-skill entry-level positions are usually associated with the youngest members of the work force. As shown in Table 2, the proportion of youths (those 16 to 24 years old) dropped from 23 percent of the labor force in 1972 to 20 percent in 1986 and is projected to fall further to 16 percent by the year 2000. Young adults between the ages of 25 and 34 are also expected to constitute a smaller share of the labor force in 2000 than in 1986. As a result, the proportion of older members of the work force (those 35 years old and over) is projected to grow from 51 percent in 1986 to 61 percent by 2000.

The share of youth is not all that is expected to fall. The absolute number of younger members of the labor force is also projected to decline. Most visible are the dwindling numbers of younger males. A 6 percent decrease in the number of males aged 16 to 24 and a 15 percent drop in the number between ages 25 and 34 are expected by 2000. Little change in the number of females in the labor force in these age groups is anticipated between 1986 and 2000.

These demographic impacts on the labor market are determined partly by structural population changes and partly by differential trends between men and women in labor force participation rates. If we take 1954 to 1964 as the central years of the U.S. baby boom, when more than four million births occurred annually, then in 1986 the baby boom cohort was concentrated between 22 and 32 years of age. By the year 2000 this group will have moved beyond age 35. The decline in population size after 1986 will affect both the 16 to 24 and the 25 to 34 age groups, but the sharpest impacts will be felt in the latter category.

Offsetting the declining number of younger women in the population are substantial projected increases in females' labor market activity. BLS assumes that labor force participation rates for women 16 to 24 years old will increase

Table 2

Civilian Labor Force by Sex and Age, Actual 1972, 1979, 1986, and Projected to 2000

Group	Level (in thousands)				Percent Distribution			
	1972	1979	1986	Projected, 2000	1972	1979	1986	Projected, 2000
Total, 16 and over	87,037	104,960	117,837	138,775	100.0	100.0	100.0	100.0
Men, 16 and over	53,556	60,727	65,423	73,136	61.5	57.9	55.5	52.7
16 to 24	11,243	13,645	12,251	11,506	12.9	13.0	10.4	8.3
25 to 34	12,349	16,386	19,383	16,559	14.2	15.6	16.4	11.9
35 and over	29,964	30,696	33,789	45,071	34.4	29.2	28.7	32.5
Women, 16 and over	33,481	44,233	52,414	65,639	38.5	42.1	44.5	47.3
16 to 24	8,943	11,760	11,117	11,125	10.3	11.2	9.4	8.0
25 to 34	6,609	11,550	15,209	15,098	7.6	11.0	12.9	10.9
35 and over	17,929	20,923	26,088	39,416	20.6	19.9	22.1	28.4

	Change (in thousands)		Percent Change		Growth Rate	
	1972–1986	1986–2000	1972–1986	1986–2000	1972–1986	1986–2000
Total, 16 and over	30,800	20,938	35.4	17.8	2.2	1.2
Men, 16 and over	11,867	7,713	22.2	11.8	1.4	0.8
16 to 24	1,008	-745	9.0	-6.1	0.6	-0.4
25 to 34	7,034	-2,824	57.0	-14.6	3.2	-1.1
35 and over	3,825	11,282	12.8	33.4	0.9	2.1
Women, 16 and over	18,933	13,225	56.5	25.2	3.2	1.6
16 to 24	2,174	8	24.3	0.1	1.6	0.0
25 to 34	8,600	-111	130.1	-0.7	6.0	-0.1
35 and over	8,159	13,328	45.5	51.1	2.7	2.9

Source: Fullerton (1987).

from 64 to 70 percent between 1986 and 2000. The assumed increase for women between ages 25 and 34 is from 72 to 82 percent. Little change in the labor force participation rates of men is forecast, however. Projected rates for males between ages 16 and 24 rise slightly from 73 to 74 percent, whereas those for males between ages 25 and 34 fall from 95 to 94 percent (Fullerton, 1987).

When projections of job growth by type of occupation and projections of labor supply by age of labor force member are viewed together, they suggest a growing shortfall between now and the year 2000 in the number of low-skill entry-level workers.[12] Some of the gap might be compensated for by a reversal of the currently declining participation rates among older male workers. But another likely outcome is a rise in relative wage rates in jobs requiring the least education and training.

Labor Pressures in the Caribbean Basin[13]

By virtue of its high rates of population growth and close physical proximity to the United States, the Caribbean Basin holds a place of special significance to this country and to U.S. foreign policy.[14] Indeed, as pointedly demonstrated by events surrounding the civil strife in Nicaragua and El Salvador, concern over the servicing and repayment of Latin American foreign

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12. This hypothesis is consistent with an analysis by Wachter (1980) who developed a labor supply forecast for the U.S. 1980s' labor market, focusing on the effects of recent low fertility, and then compared that forecast with a Bureau of Labor Statistics projection of employment demand for the current decade. Wachter predicted a relative shortage of unskilled workers in the 1980s and suggested that increasing the flow of immigrants would help to relieve some of the bottlenecks.

13. A detailed discussion of the issues raised in this section can be found in Espenshade (1988).

14. For our purposes, we define the Caribbean Basin as consisting of four regions: countries in the Caribbean Islands, the northern tier of South America (Colombia, Venezuela, Guyana, and Suriname), Central America, and Mexico.

debt, and large international movements of refugees and undocumented migrants throughout the western hemisphere, the United States is not immune to the consequences of important economic, social, and political developments in Mexico, Central America, and other parts of the region.

The Caribbean Basin's estimated population of 164 million in 1980 was roughly three-fourths as large as the U.S. population. But according to middle-series projections prepared by the United Nations (1986) and the U.S. Bureau of the Census (1984), the Caribbean Basin is expected to draw even with the United States at about 275 million people in less than 20 years. The same sources project a population for the Caribbean Basin in the year 2025 that is nearly 25 percent larger than the U.S. population (372 versus 301 million). The labor force in the Caribbean Basin is expected nearly to triple in size over the same period, growing from 53 million in 1980 to a projected total of 150 million by 2025. Signs of strain have already started to appear. Mexico led the list of the world's countries sending both legal and undocumented migrants to the United States in the early 1980s, for example, and other Caribbean Basin nations figured prominently in the top ten.

In order to look at the policy implications of prospective patterns of labor supply and labor demand, we analyzed three possible scenarios. The most stringent of the three set the policy objective of preventing the numbers of unemployed persons from rising above their 1980 levels in any of the four regions of the Caribbean Basin between 1980 and 2010. This would require creation of 11 million additional jobs at a total cost (in 1982 dollars) of more than $400 billion. An intermediate scenario, setting the policy goal of maintaining a ceiling on unemployment rates at their 1980 levels, would require more than 7 million extra jobs and cost an added $270 billion. The least stringent of the three, setting the policy goal of preventing unemployment

rates from rising more than 50 percent above their 1980 levels, would require nearly 4 million additional jobs at a total estimated cost of almost $120 billion. Whether any of these projected levels of needed investment can be achieved will influence the pattern and strength of legal and undocumented migration to the United States in the next two decades.

Regardless of the unemployment threshold that is invoked, roughly 70 percent of the new jobs and approximately 80 percent of the new investment expenditure will be needed in Mexico and the Caribbean Islands. Of the four major regions in the Caribbean Basin, these are the two that are closest to the United States. Thus it is perhaps not a coincidence that Mexico and the Caribbean Islands lead the Caribbean Basin nations in terms of the number of both legal and undocumented immigrants coming to the United States.

There is also a special urgency to the task because time is slipping away. For either the goal of maintaining constant unemployment levels or the goal of maintaining constant unemployment rates to be realized, for example, between 40 and 50 percent of the new jobs and new investment expenditure would have to have been achieved by the end of the 1980s.[15]

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15. It appears likely that the Caribbean Basin Initiative (CBI)—as it is now construed—is substantially limited in its ability to meet the job requirements that lie ahead. Our estimates of the 30-year costs of the three policy targets range from $117 to $413 billion. On an average annual basis the range is between $4 billion and $14 billion. These expenditures are in terms of 1982 U.S. dollars. In 1984 the Reagan administration spent $881 million in aid to the Caribbean, more than double the 1980 amount of $336 million (Wall Street Journal, 1984). But even this higher amount falls substantially short of what is required. And the fact that more than half of the 1984 total went to Central American countries, whereas the greatest need for new jobs is in Mexico (which is excluded from the CBI) and the Caribbean Islands, further suggests that the CBI by itself will prove insufficient to meet the job creation requirements of the region. The conclusion that expanded efforts are called for is valid even if our cost estimates are overestimated by as much as 100 percent.

What are the probable consequences of not taking these extra efforts toward job creation? The most immediate (and most likely) is that pressures from unemployment and underemployment in the Caribbean Basin will grow during the next 5 to 10 years. Among other things, failure to take fuller advantage of existing human resources will mean a drag on potential economic growth rates in the region. Second, social and political unrest is likely to accelerate as heightened aspirations for a better way of life come into conflict with the economic reality of limited avenues for productive employment. Third, pressures related to undocumented migration from the Caribbean Basin to the United States are likely to intensify. Peak pressures to emigrate in the Caribbean may coincide, moreover, with peak incentives in the United States to employ foreign workers, due to potential shortages in the United States in the supply of unskilled entry-level workers in many industrial categories.

Enforcement and Compliance Issues

Because the INS lacks the resources to police every employer, the success of employer sanctions in IRCA will depend ultimately on voluntary compliance by businesses. How likely is it that employer sanctions will work under these circumstances? Will the perceived threat of penalties, including the possibility of imprisonment, be sufficient to deter employers from behaving in ways that otherwise might be in their best interests? It is too early for there to be much direct evidence from the implementation of IRCA itself. Nevertheless, the experiences of other industrial countries and the handful of U.S. states that have passed employer sanction laws to control the employment of illegal aliens provide some useful indirect information on this question.

The evidence seems to be much more mixed than either strong advocates or strong opponents of employer sanctions might be willing to concede, but, at least for some western European countries, the performance of sanctions appears

to be improving with experience. In an early survey of 20 countries that have laws prohibiting employers from hiring illegal aliens, the U.S. General Accounting Office (1982) concluded:

> Although each country had laws penalizing employers of illegal aliens, such laws were not an effective deterrent to stemming illegal employment for primarily two reasons. First, employers either were able to evade responsibility for illegal employment or, once apprehended, were penalized too little to deter such acts. Second, the laws generally were not being effectively enforced because of strict legal constraints on investigations, noncommunication between government agencies, lack of enforcement resolve, and lack of personnel (p. 2).

Anderson (1986) seized on these findings and asserted that for the United States there are "no reasonable grounds for assuming that [the employer sanctions approach] would be anything but a failure—in fact, counterproductive—in accomplishing its fundamental purpose" (p. 21). Wayne Cornelius, director of the Center for U.S.-Mexican Studies at the University of California, San Diego, went further in claiming that "there is not a single documented case of successfully using employer sanction laws to reduce the population of illegal immigrants anywhere in the world."[16]

More recent European experience, however, suggests that employer sanction provisions are starting to bear fruit. The French government's ban on hiring "irregular-status migrants" went into effect in 1976. There was an initial upsurge in enforcement followed by a dramatic decline. Employer sanctions simply were not enforced in many areas of southern France, and judges often did not punish offending employers (Miller, 1987). By 1981 enforcement had practically stopped altogether pending the completion of France's legalization program. But in 1982 and 1983 measures to curb the hiring of undocumented

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16. Quoted in Anderson (1986, p. 8).

immigrants were reinforced, and in 1983 and 1984 the number of legal complaints for employing irregular-status migrants reached record levels.[17]

A similar story can be told about West Germany, where hiring illegal aliens has been the subject of increasingly severe penalties under the 1981 Act to Control Illegal Employment. In May 1985 the law was strengthened so that, regardless of circumstance, the hiring without a work permit of five or more foreigners for more than 30 days is punishable by up to one year in prison; and for a second offense, up to three years imprisonment or by a fine. In 1983 there were 60,000 complaints and 4,000 fines imposed, ranging from 3,000 to 10,000 DM.[18]

In 1985 the U.S. General Accounting Office was asked by Congressman Romano Mazzoli, an early sponsor of immigration reform legislation, to reinterview selected countries that had replied to the 1982 GAO survey to assess whether the enforcement of employer sanction laws had improved in the interim. Nine countries responded to the new survey. Most countries reported that employer sanction laws had helped to deter illegal alien employment. Two-thirds of the respondents (including Germany and France, which had reported in 1982 that

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17. The total of 2,245 verbal complaints made in 1983 by various enforcement agencies was the highest ever. The number of infractions by employers against section L341-6 of the Labor Code, which penalizes employers for hiring illegal migrants, rose from 549 in 1982 to 947 in 1983. The record number of 2,266 verbal complaints had already been surpassed by mid-1984 with a total of more than 2,500. In most instances the judgments involved only a minimal fine (below 600 francs), but judges are becoming less sympathetic to employers (Leibowitz, 1986).

18. The Canadian picture apparently is different. According to Leibowitz (1986), "In Canada, employer sanctions are not enforced at all as if there is a common agreement that the issue is not serious or worthy of penalties against employers" (p. 5). Even though Canadian law imposes potentially severe penalties for hiring undocumented migrants, in practice the fines are very modest and the prosecution of employers is infrequent. Between 1979 and 1983, for example, the average annual number of cases charged and cases convicted were 44 and 29, respectively (Leibowitz, 1986).

their laws were not an effective deterrent) claimed that their laws were a moderate or great deterrent against employing undocumented immigrants. Seven of the nine countries interviewed said that if they had not enacted employer sanction laws, the problem of aliens working illegally would be greater than it is (U.S. General Accounting Office, 1985).

Miller (1987) has provided what seems to us a balanced assessment of the current situation in western Europe:

> Employer sanctions are components of broader strategies to curb illegal immigration and employment. Alone, they are not seen by Western European governments as a possible panacea for the profoundly complex phenomenon of illegal alien immigration and employment. They are, however, generally perceived as a valuable, indeed necessary, deterrent. Illegal immigration and employment is viewed as a long-term and likely increasingly severe problem in Western Europe. Employer sanctions are valued as a medium-term public policy instrument, but there are few illusions that employer sanctions alone could "solve" the problem over the long run (pp. 18-19).

An appraisal of the situation closer to home yields greater skepticism. Eleven states in the United States (California, Connecticut, Delaware, Florida, Kansas, Maine, Massachusetts, Montana, New Hampshire, Vermont, and Virginia) and one city (Las Vegas) have employer sanction laws on their books. The California law, passed in 1971 (the remaining statutes are later enactments), was tested in the U.S. Supreme Court and found to be a legitimate exercise of state legislative authority in the area of immigration.[19] As of 1983, however, neither California nor Florida—two states with large undocumented immigrant populations—has prosecuted any cases under their respective laws, and only five convictions had been obtained in the remaining jurisdictions. In 1982 the legislatures in both Illinois and New Jersey—two other states noted for having

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19. De Canas v. Bica, 424 U.S. 351, 47 L.Ed.2d 43; argued December 16, 1975, decided February 25, 1976.

substantial immigrant populations--considered but failed to pass employer sanction legislation. According to Anderson (1986), "Apparently the states, our laboratories of democracy, do not find it desirable to pass such legislation or to enforce it if they have passed it" (p. 8).[20]

By most accounts, the Immigration and Naturalization Service is doing an exemplary job of informing employers about IRCA and about the employer sanctions the law contains. The challenge to INS in the future will be to demonstrate to employers that it is determined to enforce these provisions uniformly, fairly, and consistently over the long haul, through the steady application of sufficient resolve, funds, and manpower.

DISCUSSION AND CONCLUSIONS

The previous section suggests that major challenges to IRCA are emerging that ultimately could impede the effectiveness of its employer sanction provisions. Some of these challenges are related to the current economic expansion in the United States and to the projected growth in the number of jobs in the service sector. Some are related to structural demographic shifts that imply smaller U.S. cohorts of young people but larger cohorts in Mexico, Central America, and other parts of the Caribbean entering the job market between now and the end of the century. Finally, the lessons from Europe and from various states in the United States suggest that employer sanctions are likely to be ineffective in controlling illegal immigration without vigorous enforcement.

Having said this, however, we must also recognize that several factors have not been mentioned that could work in IRCA's favor. First, no economic

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20. For an enlightening analysis of the evolution and demise of California's statute, see Calavita (1982).

expansion lasts forever. The American economy, like every other economy, is characterized by successive cycles of expansion and contraction. It is difficult to forecast when the next contraction will begin, but we cay say with considerable certainty that when it does, unemployment rates will rise from their current levels. This tendency will relieve some of the tightness that domestic labor markets are now experiencing and simultaneously reduce incentives for undocumented immigration. Second, automation in the service sector may reduce job opportunities for unskilled workers. Johnston and Packer (1987) suggest that demographic, institutional, and technological changes are likely to bring about substantial streamlining and automation in many service industries by the year 2000. If this occurs, overall productivity and wage levels within these industries are likely to rise. They conclude: "For unskilled workers, however, it will mean that job opportunities may be even scarcer than these projections suggest" (p. 101).

Third, reforms of U.S. laws respecting legal immigration may lift some of the pressure from illegal immigration. For example, the legislative proposal now pending in the Congress, referred to as the Immigration Act of 1988--Title I of S. 2104, which passed the Senate in March 1988--would set a world-wide ceiling of 590,000 immigrant visas, exclusive of refugees and legalized aliens. For family connection immigrants, 440,000 visas minus the number of visas granted to immediate relatives of U.S. citizens the previous year would be allocated annually. For independent immigrants without family connections in the United States, S. 2104 would allocate 120,000 visas annually for three years (fiscal years 1990-1992) and 150,000 visas annually thereafter. Preferential treatment would be given to independent immigrants who are likely to have a favorable impact on the economy, including aliens who are members of the professions with advanced degrees or aliens of exceptional ability, skilled

workers, employment creation investors, and selected immigrants to be chosen on the basis of a point system which gives points for age, education, English language ability, and occupational demand and related experience. If enacted, this proposal would eventually increase the annual number of visas for legal U.S. immigrants with desirable occupational traits from no more than 27,000--the number (including spouses and children) now permitted under the occupational preference category—to 150,000. To the extent that not all illegal immigrants are unskilled—and that those who would otherwise come to this country illegally possess the kinds of skills, education, and training sought by S. 2104—the proposed legislation may open up new avenues for legal entry into the United States and thereby reduce the flow of undocumented workers.

The question remains, however, whether IRCA will have its intended effect of curbing undocumented immigration. Factors that pull immigrants to the United States and push them from their native countries will persist. These include perceptions about the quality and style of life in the United States, as well as about economic opportunities. Moreover, such perceptions, not to mention the likelihood of actual social and economic support at the place of destination, are most strengthened where large populations of immigrants already exist in the United States. And, of course, it seems unrealistic to think that differentials between sending countries and the United States in both perceived and actual socioeconomic opportunities will not continue to have a bearing on pressures to migrate. Deteriorating economic conditions in Mexico and the political instability in Central America, among other things, are likely to stimulate nationals in those countries to look elsewhere for improved living conditions. All these factors, together with the degree to which the employer sanctions provision of IRCA is enforced (and is enforceable), will

determine whether the legislation becomes an effective instrument of U.S. immigration policy.

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